

### REMARKS

Claims 1-58 are currently pending in the subject application and are presently under consideration. Claims 37, 38, 43, and 55-57 have been amended herein to further emphasize various distinguishing features and/or to correct minor informalities. Claim 58 has been newly added, support for which can be found at least at page 10, lines 4-14 of the specification portion of applicants' disclosure. A version of all pending claims can be found at pages 3-13 of this Reply. In addition, the specification has been amended to correct minor informalities as indicated at page 2.

Favorable reconsideration of the subject patent application is respectfully requested in view of the comments and amendments herein.

#### **I. Objection to Claims 55-57 Under 37 1.75(c)**

Claims 55-57 are objected to for being in improperly dependent form for failing to further limit the subject matter of a previous claim. This objection should be withdrawn for at least the following reasons. Claims 55-57 further limit their respective base claim, are in proper dependent form, and further have been amended to more clearly express the claimed features.

At pages 2-3 of the Office Action (dated January 23, 2008), the Examiner incorrectly applies the "infringement test." In particular, the Examiner argues that proper applications of the infringement test is "a CD-ROM having computer executable code that *if and when executed* would cause a computer to do the steps recited in claims 45, 48, and 50" (emphasis added), and, thus, "*mere possession* of such a CD-ROM would infringe claims 55-57, but would not infringe claims 45, 48, and 50."

However, the instant claims do not recite merely a computer-readable medium (e.g., CD-ROM) in which mere possession would cause infringement. Rather, the claims recite, "...instructions that *are executed* to yield the method of claim" 45, 48, or 50. Accordingly, the claims are not so broad as to allow the Examiner to suggest an "if and when executed" scenario is applicable here; as the claims expressly recite that the instructions *are executed*. Thus, infringement of claim 45, 48, or 50 is, in fact, required in order to infringe claim 55, 56, or 57. Moreover, in each case, the base claim is further limited by being included in a computer-readable medium. Accordingly, there is no

failure of the infringement test when properly applied, and this objection should be withdrawn.

## **II. Rejection of Claims 37-44 Under 35 U.S.C. §101**

Claims 37-44 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Withdrawal of this rejection is respectfully requested for at least the following reasons. The instant claims produce a useful, concrete, and tangible result, which is the standard by which eligibility for patent protection under 35 U.S.C. §101 is judged. Moreover, independent claims 37, 38, and 43 (as well as all claims that depend there from) have been amended for cosmetic purposes to include a memory. A memory is a “physical thing” that, as amended, is included in each system claim. Accordingly, while applicant’s continue to maintain that a system or components of a system need not be physical things, quite in accord with recent CAFC decisions, the Examiner’s stated grounds for this rejection (even though believed to be erroneous): that the instant claims are not eligible subject matter because the claims do not recite anything physical is now moot and must therefore be withdrawn.

## **III. Rejection of Claims 1-48 and 50-58 Under 35 U.S.C. §112**

Claims 1-48 and 50-58 stand rejected under 35 U.S.C. §112, first paragraph, as failing to comply with written description requirement. This rejection should be withdrawn for at least the following reasons. The specification portion of applicants’ disclosure provides in full, clear, concise, and exact terms the manner of making and using the claimed subject matter.

In particular, at pages 4-5 of the Office Action, the Examiner substantially argues the specification does not describe “information that includes an indication of ownership of a welding consumable(s)...” in such a way as to reasonably convey to one skilled in the relevant art that the inventors, at the time the application was filed, had possession of the claimed invention. Applicants’ disagree and point to at least claim 8 as originally filed; page 12, lines 3-15, wherein information received from the consumable(s) monitor can be employed to perform costing, valuation, or inventory audits as well as other

accounting aspects; and to page 10, lines 4-14, which for convenience is reproduced *infra*:

For example, a supplier of welding consumables can maintain an inventory of welding consumables at a customer location (*e.g., ownership of welding consumables remains with supplier*—Vendor Managed Inventory (VMI)). *At least in part based upon information obtained from the consumable(s) monitor 215 through the welder 210, the remote system (e.g., supplier's computer system) can allocate and/or charge the customer for welding consumable(s) once they are used by the customer.* This can result in decreased costs to the customer associated with maintaining inventory since the customer is not charged for the welding consumable(s) until the consumable(s) has been used. Further, the customer can delegate to the supplier responsibility for maintaining inventory of welding consumable(s) at the customer location, thus reducing the customer's costs associated with materials management.

Applicants' representatives submit that the Examiner has not adequately supported this rejection. Most particularly, the Examiner has not explained how one of ordinary skill and creativity in the relevant art would fail to understand (much less fail to understand after a statutorily reasonable amount of experimentation) that a remote system that can charge the customer for welding consumables once they are used by the customer—as provided in the specification—can accomplish this task without receiving an indication of ownership of the consumed welding consumable(s)—as claimed. In view of the fact that the remote system must be apprised of “ownership of welding consumables” used by a customer or in order to accurately allocate or charge that customer, or perform audits where ownership is not necessarily defined by the place of business, one of ordinary skill in the relevant art would understand there is adequate support for “a welder comprising a consumable(s) monitor that transmits welding consumable(s) information *that includes an indication of ownership* of a welding consumable(s)” as claimed. Accordingly, this rejection should be withdrawn.

#### **IV. Rejection of Claims 37-44 Under 35 U.S.C. §112**

Claims 37-44 stand rejected under 35 U.S.C. §112, second paragraph, as being indefinite. This rejection should be withdrawn for at least the following reasons. The

claims particularly point out and distinctly claim that which applicants regard as the invention.

At pages 5-6 of the Office Action, the Examiner bases this rejection on the same rationale as that given in support of the 35 U.S.C. §101 rejection remarked upon *supra* in §II. As discussed therein, this rationale is now moot. Accordingly, this rejection should be withdrawn.

**V. Rejection of Claim 49 Under 35 U.S.C. §103(a)**

Claim 49 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Niedereder (US 6,797,921 B1) in view of Mottishaw, *et al.* (US 6,721,284 B1, hereinafter referred to as “Mottishaw”). Withdrawal of this rejection is requested for at least the following reasons. Niedereder, Mottishaw, or a combination thereof does not teach or suggest all the claimed features. Moreover, there is no rational motivation to combine Mottishaw with Niedereder and/or to look to Mottishaw when presented with Niedereder without impermissible hindsight analysis.

To reject claims in an application under §103, an examiner must establish a *prima facie* case of obviousness. To establish a *prima facie* case of obviousness, the prior art reference (or references when combined) ***must teach or suggest all the claim limitations***. In addition, there must be a reasonable expectation of success to make the proposed combination. *See In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). “[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *KSR v. Teleflex*, 550 U.S. \_\_\_, 127 S. Ct. 1727 (2007) *citing In re Kahn*, 441 F. 3d 977, 988 (CA Fed. 2006).

The claimed subject matter generally relates to managing welding consumables. More specifically, information can be received from a monitor located at, *e.g.*, a customer site that relates to weld quality of welds performed at the site and to consumable usage of, *e.g.*, consumables that are not owned by the customer and/or equipment that is leased

by the customer. Accordingly, the customer can be invoiced for consumables that are used to create a weld with the cost potentially offset and/or a function of the weld quality. (See page 10, ll. 15-22). For example, the customer can be billed less or not at all for consumable or equipment usage if the weld quality is poor. In particular, independent claim 49 recites, “receiving information regarding *weld quality*; and *invoicing* a customer for the consumable based at least in part upon the *information received regarding the consumable usage and the weld quality*.” The cited references alone or when combined fail to teach or suggest all the claim features.

Niedereder relates to a welding unit equipped with a communications interface and method for operating the welding unit. (See Abstract). Niedereder provides a means for monitoring the quality of *welding processes*, (see col. 11, ll. 7-16), but does not teach or suggest “receiving information regarding *weld quality*.” For example, Niedereder teaches monitoring servicing or status checks of a welder or other indicators of smooth functioning of *the welder*, but such is materially distinct from monitoring (or receiving) information regarding *weld quality*. Mottishaw does not make up for these deficiencies. Accordingly, this rejection should be withdrawn.

Furthermore, as the Examiner concedes at page 6 of the Office Action, that Niedereder does not disclose, “*invoicing* a customer for the consumable based at least in part upon the *information received regarding the consumable usage and the weld quality*.” In particular, Niedereder teaches neither the act of invoicing, nor the act of doing so based on consumable usage and weld quality. However, the Examiner argues Mottishaw discloses these features.

Mottishaw relates to monitoring Internet-based telephony services and related systems. (See Abstract). More specifically, Mottishaw teaches setting up probes with special-purpose software that can intercept and collect from computer networks data relating to video or internet telephony. (See col. 3, ll. 26-41). Mottishaw then discloses said probes can be employed to discover caller information, party called information, services used, quality of service (e.g., by monitoring voice signal, packet loss, latency, or jitter), and further provide features such as billing for services actually used, wire-tapping and the like. Therefore, while Mottishaw teaches creating a service record based on the actual service quality delivered and to reflect the nature of the usage of network resources

(see col. 8, ll. 37-44), the reference fails to disclose or suggest “invoicing based ... upon ... *consumable* usages and the *weld quality*.” Most particularly, consumable usage is materially distinct from network resource usage in that monitoring consumable usage is not performed between endpoints of a computer network, but rather outside the network (e.g., by a monitor proximal to a welder, not by probes set up at endpoints of a network as taught by Mottishaw). A similar distinction exists between the network service quality of Mottishaw and the weld quality of the subject claims. Thus, what is taught by Mottishaw is materially distinct and incompatible with the claims even though similar terms (e.g., usage or quality) might be employed. Therefore, merely adding similar terminology or concepts of monitoring network traffic disclosed in Mottishaw to a welding system taught by Niedereder (where consumable usage and notions of quality are not discovered by examining network traffic) does not in fact teach or suggest “*invoicing* a customer for the consumable based at least in part upon the *information received regarding the consumable usage and the weld quality*.”

Moreover, there is no rational motivation to combine Mottishaw with Niedereder and/or to look to Mottishaw when presented with Niedereder without impermissible hindsight analysis. For example, Niedereder does not contemplate any type of counterparty ownership of consumables and further does not contemplate equipment leasing or the like. Accordingly, there is no need to bill for such consumable usage at all, as the welder user has already purchased these consumables. Accordingly, at least because a user of Niedereder has no need for automated discovery of network services used (or even for discovery of billing for consumables used) or other such features, one of ordinary skill in the art, when presented with Niedereder, would not be motivated to look to Mottishaw in order to bill a customer as the Examiner sets forth at page 7 of the Office Action. Rather, by suggesting the motivation to combine these references is to “bill a customer based on the quality and usage of a service” when in Niedereder the “customer” and the one “billing” are in fact the same party is clear evidence that the Examiner has employed hindsight analysis. Accordingly, the combination of Mottishaw with Niedereder is impermissible, and this rejection should be withdrawn.

**CONCLUSION**

The present application is believed to be in condition for allowance in view of the above comments and amendments. A prompt action to such end is earnestly solicited.

In the event any fees are due in connection with this document, the Commissioner is authorized to charge those fees to Deposit Account No. 50-1063[LINCP105US].

Should the Examiner believe a telephone interview would be helpful to expedite favorable prosecution, the Examiner is invited to contact applicants' undersigned representative at the telephone number below.

Respectfully submitted,  
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